GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1282
ANSWERED ON:08.03.2002
DIRECTORS OF NABARD
MOHAMMED SHAHABUDDIN;RAGHUVANSH PRASAD SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have requested the National Bank for Agriculture and Rural Development (NABARD) and other Regiona Rural Banks to submit the list of proposed nominee directors for appointment by the Union Government;

(b) if so, the details thereof and the action taken by the Government on the lists submitted by NABARD and RRBs;

(c) whether the Government have appointed all political activists as nominees directors on the Board of Management of RRBs ignoring its own orders dated February 21, 1983 in this regard;

(d) if so, the details thereof alongwith the reasons therefor;

(e) whether the Government have revised its orders dated February 21, 1983 in this regard; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI BALASAHEB VIKHE PATIL)

(a),(b),(c),(d),(e) & (f) : No, Sir. As per provisions under Section 9(1) (a) of the Regional Rural Banks Act, 1976, two Directors, who are not officers of the Central Government, State Government, Reserve Bank of India (RBI), National Bank for Agriculture & Rura Development (NABARD), Sponsor Banks or any other banks are to be nominated by the Central Government on the Board o Regional Rural Banks.The Directors so appointed are termed as Non-official Directors (NODs). The appointments of these Non-official directors are made out of names recommended by Sponsor Banks and VIPs keeping in view the social and local background of the candidates to be appointed.